

FISCAL NOTE

SB 938

February 12, 2001

SUMMARY OF BILL:

- Authorizes any county to impose a tax on transfers of real property.
- Requires the tax rate to be less than or equal to 37 cents per \$100.
- Requires approval by a 2/3 vote of the county legislative body at 2 consecutive regularly scheduled meetings.
- Entitles the county register to receive a \$1 fee for issuing each receipt for taxes imposed in this bill. The fee is due when the tax receipt is issued.
- Exempts from the tax instruments made pursuant to mergers, consolidations, sales or transfers of substantially all of the assets in this state of corporations, pursuant to plans of reorganization.
- Provides that the maximum tax that could be assessed is \$100,000.
- Provides for an effective date of July 1, 2001.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Exceeds \$1,000,000 / Permissive

Increase Local Govt. Expenditures - Not Significant/ Permissive

For information purposes, the total amount of revenue collected by the state in FY 99-00 on the state realty transfer tax at 37 cents per \$100 of recorded value was approximately \$72,500,000.

Estimate assumes the following:

- The total increase in local government revenues cannot be determined; however, if 10 or more of the counties imposed the tax at an average rate of 9 cents per \$100, the increase in local government revenues is estimated to exceed \$1,000,000.
- Any increase in local government expenditures to collect and distribute the tax is estimated to be not significant and is expected to be offset by the \$1.00 fee that county registers may charge to issue the tax receipt.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director